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SUMMARY

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SPECIFIC FACTORS INFLUENCING INDUSTRIAL PROGRESS IN UNDERDEVELOPED AREAS

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SPECIFIC FACTORS INFLUENCING INDUSTRIAL PROGRESS IN UNDERDEVELOPED AREAS

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Many complicated economic problems arise in industrial development of underdeveloped districts. The fact that underdeveloped districts took the path of industrialisation much later than the old industrial countries gives them a number of advantages, first of all in that they can draw on the rich experience accumulated by the developed economic districts in technical progress and industrial construction. At the same time, the setting up by underdeveloped countries of their own industries proved at first less effective than importing ready industrial products from outside.

The industrial progress of underdeveloped districts in the Soviet Union proceeded under specific social and economic conditions. As equal members of one family of the peoples of the socialist state, the national republics built their industries with a view to an all-sided development of their respective republics and with due regard to their own and national interests.

The unified coordinated plan for the industrial development of the USSR enabled the national republics to choose the most effective trends of industrial development on the basis of local features and conditions. Another important factor in the industrial progress of the underdeveloped districts of the USSR was that the incomes from the economies of these districts were not exported but utilised in the district itself to attain faster rates of industrial development.

The mutual assistance of the republics and first and foremost the help rendered by the Socialist Federative Republic to other republics was the third specific factor in the successful industrial development of the formerly underdeveloped national republics of the Soviet Union. The development of industry in the underdeveloped districts of the USSR was financed from the All-Union budget of the USSR regardless of the incomes which a given republic could contribute.

Analysis and account of the specific features of the initial industrial level is extremely important for determining the trends and methods of industrial progress in underdeveloped districts.

The initial level shows the most advantageous prospects and trends for the further development of industry or the most effective branches of production which should be developed first. This was exactly the starting point in determining the trends of the industrial progress of the underdeveloped districts of the USSR.

Account of the specific features of the initial industrial level by no means signifies the expansion of only existing enterprises. Thus, the priority development of the petroleum industry in Azerbaijan was necessary for creating raw material, financial and other prerequisites for the subsequent development of other branches of industry. A notable progress in the entire petroleum industry of Azerbaijan was due to the promising character of this branch, and possibilities of a combined use of petroleum raw material

and the creation on this basis of new types of production and branches of industry. The petroleum industry in Azerbaijan served as the backbone for a number of large-scale enterprises producing chemical fertilisers, gas, alcohol, rubber, cement, paints, etc.

Later on, to ensure a further development of the petroleum industry and the new branches it had brought to life there appeared in Azerbaijan machine-building works producing equipment for the petroleum industry, iron-and-steel works providing metal for machine-building, plants manufacturing building materials and other enterprises for the development both of old and new branches of economy.

Huge modern textile mills spring up in Uzbekistan on an extensive cotton and wool base. Alongside the textile industry the republic has built its own machine-building industry which produces textile machines and a chemical industry which supplies fertilisers for cotton growing. The multi-branch industry set up in the republic is serviced by an extensive network of up-to-date electric power plants built in Uzbekistan during the years of industrial development which satisfy not only industrial but also cultural and everyday needs of the population.

In this way a well-balanced complex the developing industry came an important factor for successful industrialisation of the underdeveloped districts of the USSR. The following factors can account for the creation of such economy in the underdeveloped districts:

a) the development of industry provides new kinds of synthetic raw materials, by-products and wastes;

b) the development of one branch gives rise to tother branches which follow each other as if by a chain reaction;

c) industry itself creates its consumption market.

These conclusions are confirmed without a shade of doubt by the multi-branch industrial development of the Azerbaijan SSR.

The industries were built in close collaboration and cooperation of all former underdeveloped districts.

The underlying principles in industrial development were such economic factors of the rational organisation of production as cooperation in the utilisation of the raw material resources of the districts, effective organisation of transport services, reduced production expenses all the way down to the delivery of ready products to consumers.

High technical and economic indices are a characteristic feature of the industry created in the underdeveloped districts of the USSR.

The economic efficiency of capital investments in industry was attained within the framework of a far-sighted historical perspective for the development of a given district or republic. This signifies that in tackling construction of an industrial enterprise we proceeded not only from the necessity to obtain the immediate maximum profit from this enterprise but also took into account the degree to which the enterprise could stimulate the general industrial development of the district as a whole and the degree to which it could help towards reducing outlays in kindred branches of production regardless of their subordination. In other words, the efficiency of capital investments was estimated from the viewpoint of all-round saving of expenditures.

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